

**Resources & System Efficiency Committee
Ohio Board of Regents
Minutes of the Meeting of May 18, 2006**

The Resources & System Efficiency Committee of the Ohio Board of Regents on Ohio University's Eastern Campus in St. Clairsville, Ohio. In attendance were the following:

Committee members:

Jenny Brown, Committee Chair
Bruce Beeghly
James Tuschman

Other Board members in attendance:

Anthony Houston
James Patterson
Walter Reiling

The meeting was called to order by Regent Brown, and the minutes of the April 2006 meeting were approved by the Committee without objection.

Reports and Updates

Neal McNally briefed the Committee on the state's fee policy for public colleges and universities, which is laid out in temporary law, Am. Sub. H.B. 66. All campuses are required to levy uniform instructional & general fees to supplement state subsidy, and a non-resident surcharge for out-of-state students. There are certain exemptions to the legislative limitations on fee increases for debt service and for exceptional circumstances, and for special purpose fees.

Vice Chancellor Rich Petrick briefed the Committee on a report from the Education Tax Policy Institute on Ohio's tax rating. This report shows that Ohio is not a high-tax state, and in fact Ohio's actual tax burden is very close to the U.S. average. The frequent claims that Ohio has the third highest tax rate in the country are flawed because they are based on the Tax Foundation's estimates of Ohioans' tax incidence and not the true state tax burden. Regent Tuschman wondered if the state's leadership is aware of the Education Tax Policy Institute's study and, if so, why the governor and other leaders have not done more to disseminate this information. He suggested that Regent Adams communicate this directly to Governor Taft to ensure that Ohio's leadership is informed. The Committee suggested that this report be shared with other organizations, including the Cleveland Foundation, the Fund for Economic Future, the Business Alliance for Higher Education & the Economy, Nortech, the Ohio Chamber of Commerce and as many local chambers of commerce as possible. Interim Chancellor Garry Walters concurred and noted that the folklore surrounding Ohio's tax burden has negatively impacted economic development efforts in the state.

Vice Chancellor Petrick briefed the Committee on new federal Academic Competitiveness and SMART grants that will provide up to \$4.4 billion in Pell Grant-

related support for college students next year. Regent Brown remarked that student fees have risen in part because campuses must maintain staff to comply with burdensome federal reporting requirements on a wide range of issues, including environmental and safety requirements. She suggested that the Regents do more to raise the level of awareness on the costs associated with federal reporting compliance.

Vice Chancellor Petrick provided an update on the Higher Education Funding Study Council. This group last met on May 11th and will meet one last time on May 25th to wrap up its recommendations, which are expected to be similar to those issued by the Governor's Commission on Higher Education & the Economy. These recommendations will likely address topics such as tuition certainty, unfunded enrollment growth, capital needs and coordinated workforce training.

Jim Nargang told the Committee that Regents staff would host a brainstorming session on May 19th to begin developing a statewide capital master plan.

Additionally, Mr. Petrick told the Committee that the Higher Education Funding Commission held its first meeting on May 15th and would wrap up its work by September, when the Board of Regents will make its FY 2008-2009 operating budget recommendations.

Old Business

The Committee approved the following items for the Board's May consent agenda:

- A Joint Use Agreement between Youngstown State University and the City of Youngstown.
- A Joint Use Agreement between Clark State Community College and Springfield & Clark County Joint Vocational School District.
- A Joint Use Agreement between Bowling Green State University and the Perrysburg Heights Community Association.
- A Joint Use Agreement between Cuyahoga Community College and the Playhouse Square Foundation.
- The release and distribution of FY 2006 Police and Fire Protection appropriations.
- The adoption of amended administrative rules to govern local administration of capital projects at state colleges and universities.
- A request by the University of Toledo to pledge student fees in support of a bond issuance not to exceed \$52,000,000.
- And the April 2006 controlling items.

New Business

The release and distribution of FY 2006 Student Support Services appropriations from H.B. 66 was reviewed for consideration at the June Board meeting.

The meeting was adjourned by Regent Brown.